



FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35789]

Pacific Harbor Line, Inc.—Lease and Operation Exemption—Union Pacific Railroad Company

Pacific Harbor Line, Inc. (PHL), a Class III rail carrier, has filed a verified notice of exemption under 49 CFR 1150.41 to lease from Union Pacific Railroad Company (UP), and to operate, pursuant to a lease agreement, approximately 30,820 feet of rail line, known as the Santa Ana Bypass Track, extending from milepost 21.7 at CP Compton to milepost 15.9 at Firestone Park in Los Angeles County, Cal.

This transaction is related to a concurrently filed verified notice of exemption in Pacific Harbor Line, Inc.—Operation Exemption—Union Pacific Railroad Company, Docket No. FD 35814, wherein PHL seeks Board approval to operate, also pursuant to the above lease agreement, approximately 5.75 miles of rail line that UP currently operates in Los Angeles County, Cal. This line is owned by the City of Los Angeles, Cal., acting by and through its Board of Harbor Commissioners, and the City of Long Beach, Cal., acting by and through its Board of Harbor Commissioners.

According to PHL, the agreement between PHL and UP does not contain any provision that may limit future interchange of traffic with any third-party connecting carrier. PHL states that, under the terms of the lease, UP will retain the exclusive common carrier obligation to provide service over the line.

PHL intends to consummate the proposed transaction 30 days or more after the exemption was filed (May 7, 2014), or 60 days or more after filing its certification with the Board pursuant to 49 CFR 1150.42(e).

PHL certifies that its projected annual revenues as a result of this transaction will not result in the creation of a Class II or Class I rail carrier. Because PHL's projected annual revenues will exceed \$5 million, PHL certified to the Board on April 30, 2014, that it had complied with the requirements of 49 CFR 1150.32(e) by providing notice to employees and their labor unions on the affected 30,820 feet of rail line. Under 49 CFR 1150.32(e), this exemption cannot become effective until 60 days after the date notice was provided, which would be June 29, 2014.

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions to stay must be filed no later than June 20, 2014 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35789, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Rose-Michele Nardi, Transport Counsel PC, 1701 Pennsylvania Avenue, N.W., Suite 300, Washington, DC 20006.

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Decided: May 19, 2014.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.

Raina S. White

Clearance Clerk

[FR Doc. 2014-11988 Filed 05/22/2014 at 8:45 am; Publication Date: 05/23/2014]